

## **Retirement Incentive Plan Guidelines**

### **Purpose**

Sections 9-1-1140 (I) and 9-11-50 (I) of the South Carolina Code of Laws provide: **"An employer, at its discretion, may pay to the system [South Carolina Retirement Systems] all or a portion of the cost of an employee's purchase of service credit. Amounts paid by the employer under this subsection for all purposes must be treated as employer contributions."** The retirement incentive plan allows agencies to purchase service credit on behalf of employees who are currently eligible to retire or purchase the amount of time necessary to make employees eligible to retire. The retirement incentive plan allows agencies to purchase service credit under the South Carolina Retirement Systems (SCRS) or the Police Officers Retirement Systems (PORS) in accordance with Sections 9-1-1140 (I) and 9-11-50 (I) of the Code of Laws.

The following minimum program requirements must be incorporated in any agency's retirement incentive plan.

### **Participation Eligibility**

- A. Only employees in FTE positions may be eligible for the retirement incentive plan.
- B. Employees who are currently participating in the TERI program are not eligible to participate in the retirement incentive plan.
- C. All decisions to request participation in the program are voluntary by each eligible employee.
- D. All decisions concerning approval of participants are within the discretion of the agency head and in accordance with the approved plan. An agency's plan may declare an employee or categories of job classifications ineligible based on financial considerations or on the business needs of the organization to retain the employee(s) in order for the agency to continue its mission. The decision of the agency is final.
- E. Employees choosing to participate in the retirement incentive plan must retire and separate from service with the State of South Carolina no later than the plan's effective date.

### **Program Components**

- A. The agency head has overall responsibility for the implementation of the plan.
- B. The agency will fund the retirement incentive plan within existing funds.
- C. The plan must be based on the agency's ability to demonstrate cost savings.

D. An employee who is selected to participate in the retirement incentive plan will agree to the following: Retire from the agency on or before the plan's effective date; and not become employed with the agency in an FTE position for a period of at least two years.

E. Participating employees may receive the following benefits: The purchase of service credit by the agency to the South Carolina Retirement Systems, not to exceed one year's annual salary for the eligible employee; and Service credit purchased by the agency may be for "qualified" or "nonqualified" service time. In addition, employees will receive payment for unused annual leave balances as provided for in the State Human Resources Regulations.

F. All decisions made under this plan by employees to retire are voluntary and are not considered grievable or appealable actions.

G. The retirement incentive plan must include a written agreement for employees who elect to participate in the plan. The agreement must contain a release of claims an employee could bring against the State and the agency, including claims under the Age Discrimination in Employment Act and the Older Workers' Benefit Protection Act. The plan will not require a release of existing Workers' Compensation claims. The employee and a representative of the agency must sign the agreement.

### **Approval and Reporting**

A. Voluntary retirement incentive plans may be developed and implemented in consultation with the Budget and Control Board's Office of Human Resources and the South Carolina Retirement Systems.

B. The Division of Budget and Analyses and the agency head must approve an agency's retirement incentive plan prior to implementation within the agency.

C. State agencies must report the results of the retirement incentive plan to the Budget and Control Board following the effective date for implementation of the plan within the agency.